

Sharing the risks of climate change along the supply chain: towards a better balance of power

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For many years, the Fair Trade small producers' organizations have been affected by rising global temperatures, radical atmospheric phenomena such as storms or hurricanes, the diffusion of old plagues that attack crops, and the emergence of new diseases. The subsequent decline in productivity, combined with increasing cost of production and cost of living, is threatening the sustainability of agricultural activities of small producers.



One of the most worrying consequences could be the increasing abandonment of agriculture and a greater concentration of land in the hands of a few national and multinational companies.

All these elements are closely connected with inequality and power imbalances within the food supply chains. With an increasing world population and urbanization, it will be crucial to produce more - and more sustainably. More importantly it is also crucial to pinpoint who will produce, how much and under which conditions. These are key questions when building a better balance among the different players along the supply chains, but also to understand who really controls the two principal agriculture resources: land and water.

There are two main needs that should be pointed out. First, the need to mitigate the negative effects through a production method less dependent on external inputs and more environmentally and socially sustainable. Second, the need to adapt to the current changes. However, in terms of mitigation, the real culprits of global warming do not seem to be really committed to radically change the patterns of production and consumption, to which our civilization is getting used since at least half a century. At the same time, there is very little thinking about the fundamental problem: The effects of climate change on agriculture are paid essentially only by smallholders, while larger companies and plantations can internalize the increased costs within their cost/benefit structures.

Besides some pilot projects by a few companies trying to support small producers, there is no real trade policy that encourages or requires to share the risks of climate change which is currently assumed almost entirely by small producer. At the same time, we consider that smallholders have to play an increasingly important role in feeding and cooling the planet. What a contradiction.

Will we someday create a really shared "risk-taking" scheme among the different actors of the supply chain? It sounds rather utopian or impossible, but Fair Trade was also a utopia some decades ago. However, the urgency and seriousness of climate change do not give us much room for manoeuvre.

Additionally we need to rethink the limits and the true needs of our civilization, to really curb the negative effects of global warming. If we want to ensure a sustainable trade flow of food, we have to share the risks of climate change. It is not possible that we continue to expect producers to take these risks alone, while we keep eating our favourite foods and don't understand what it really means to adapt to climate change. Sharing these risks will also mean a better balance of power among the different trade players.

CLAC participated in the Lima Climate Change Conference (COP20) and reaffirmed the need to hear the "voice of small producers" regarding the negative effects of climate change.